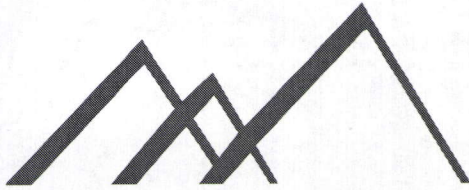


m/027/007



Western States Minerals Corp.

250 South Rock Blvd. Suite 118
Reno, Nevada 89502

December 6, 2000

Mr. D. Wayne Hedberg
Permit Supervisor
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

**Re: NOTICE OF COMPLETION OF CONSTRUCTION ACTIVITIES
Drum Mine Reclamation, Millard County, Utah
First Amended Settlement and Reclamation Agreement and
Sole Source Contract No. 006536**

Dear Wayne:

Western completed its obligations referenced in Section 2 *Tasks to be Undertaken by Western; Termination of this Agreement; release of Western* on November 28, 2000. Mr. Doug Jensen, DOGM and Mr. Larry Garahana, BLM performed their final inspection that same date and found our work satisfactorily completed. I therefore request DOGM to release Western's remaining performance bond referenced in Section 3.2 *Release of Bond*; and the balance of payment obligations referenced in Section 2.2 *Partial payment of Western's Expenses*. Accordingly, I have enclosed an invoice for the balance of monies to be paid to Western at the "completion of its reclamation obligations". Since we do not know the amount of accrued interest as of this date, we have left that amount blank to be filled in by you.

Once our bond is released and the balance of payment has been made to Western, we expect a written notification of termination of this agreement as referenced in Section 2. Please call John Carmody at (303) 425-7042 ext. 23 or myself at (775) 856-3339 ext. 13, if you have any questions or matters that you wish to discuss.

Sincerely,

E.M. (Buzz) Gerick
Vice President of Operations

Cc: Distribution list attached

DRUM MINE RECLAMATION
FIRST AMENDED SETTLEMENT AGREEMENT

Notice Addresses

Ms. Sally Wisely
State Director
Utah State Office (UT-930)
Bureau of Land Management
P. O. Box 45155
Salt Lake City, UT 84145-0155

John F. Carmody, WSMC
4975 Van Gordon Street
Wheat Ridge, CO 80033

Mr. Rex Rowley, Field Office Manager
Bureau of Land Management
Fillmore Field Office
35 East 500 North
Fillmore, Utah 84631

John Steiger, Esq.
Office of the Solicitor
Federal Bldg., Room 6301
125 S. State Street
Salt Lake City, UT 84138-1180

Mr. D. Wayne Hedberg
Permit Supervisor
Division of Oil, Gas and Mining
1594 West North Temple, Ste. 1210
Box 145801
Salt Lake City, Utah 84114-5801

Mr. Tom Mitchell
Assistant Attorney General
Natural Resources Division
160 East 300 South
Fifth floor
Salt Lake City, Utah 84114

Mr. Doug Jensen, Senior Reclamation Specialist
Minerals Reclamation Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Ste. 1210
Box 145801
Salt Lake City, Utah 84114-5801

Mr. Don Ostler, Director
Department of Environmental Quality
Division of Water Quality
288 North 1460 West
Salt Lake City, Utah 84116

Mr. Craig R. Carver
Alfers & Carver, LLC
730 17th Street, Suite 340
Denver, CO. 80202

INVOICE

Western States Minerals Corporation
4975 Van Gordon Street
Wheat Ridge, Colorado 80033

SOLD TO: Mr. D. Wayne Hedberg
 Permit Supervisor
 Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 Box 145801
 Salt Lake City, Utah 84114-5801

Invoice Date:	12/07/00
Invoice No.	1057

Quantity	Description	Unit	Amount
	Jumbo Performance Bond-----		143,000.00
	(Plus Accrued Interest)-----		(?)
	Amount for Closure of Mine Openings-----		20,000.00
	Jumbo Performance Bond, Alto Pit, Etc.-----		19,000.00
	(Plus Accrued Interest)-----		(?)
	Original TOTAL (interest unknown and therefore excluded)-----		182,000.00
	Amount paid upon commencement of construct. Pd. July 31,2000--		(-99,335.00)
	Balance payable as of November 28, 2000-----		91,000.00
	upon completion of construction activities		
	(Plus accrued interest as of date of payment)-----		(?)
	Per First Amended Settlement and Reclamation		
	Agreement and Sole Source Contract No. 006536		
	TOTAL(Balance plus Accrued Interest)		